

# Initiative Measure No. 1304

filed March 26, 2013

## **TAXPAYER PROTECTION ACT OF 2013**

### **COMPLETE TEXT**

AN ACT Relating to state taxes and fees, not other revenue; amending RCW 29A.72.283, 29A.32.070, 43.135.055, 43.135.031, and 43.135.041; adding new sections to chapter 43.135 RCW; creating new sections; and providing a contingent expiration date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

### **INTENT**

NEW SECTION. **Sec. 1.** This initiative is intended to provide short-term and long-term protection from state tax and fee increases, providing our state's economy with a chance to recover.

The people want the legislature to approve, and refer to voters for ratification, a constitutional amendment requiring two-thirds legislative approval for raising taxes as defined by and as required by Initiative 960, approved by voters in 2007, Initiative 1053, approved by voters in 2010, and Initiative 1185, approved by voters in 2012. This measure requires people's advisory votes on whether to amend the constitution to require two-thirds legislative approval to raise taxes.

The people find that accountability and effectiveness are important aspects of setting tax policy. In order to make policy choices, the legislature needs information to evaluate whether the continuation of tax increases is in the public interest. To effectuate this finding, this measure limits the duration of tax increases imposed by the legislature to one year.

The Legislature has repeatedly raided fee accounts, depleting them of revenue, necessitating revenue increases. To stop such tactics and ensure greater accountability and transparency, this measure requires fees to be legislatively approved and dedicated to their statutory purposes.

These important policies ensure that taxpayers will be protected and that taking more of the people's money will always be an absolute last resort.

**LET THE VOTERS DECIDE ON A CONSTITUTIONAL AMENDMENT REQUIRING  
TWO-THIRDS LEGISLATIVE APPROVAL TO RAISE TAXES**

NEW SECTION. **Sec. 2.** A new section is added to chapter 43.135 RCW to read as follows:

(1) A measure for an advisory vote of the people for a constitutional amendment requiring two-thirds legislative approval for raising taxes is required and must be placed on each general election ballot under this chapter.

(2) No later than the first of August, the attorney general will send written notice to the secretary of state of the legislature's failure to let the people vote on a constitutional amendment requiring two-thirds legislative approval for raising taxes. Within five days of receiving such written notice from the attorney general, the secretary of state will assign a serial number for a measure for an advisory vote of the people and transmit one copy of the measure bearing its serial number to the attorney general as required by RCW 29A.72.040. Saturdays, Sundays, and legal holidays are not counted in calculating the time limits in this subsection.

(3) For the purposes of this chapter, "raising taxes" means any action or combination of actions by the state legislature that increases state tax revenue deposited in any fund, budget, or account, regardless of whether the revenues are deposited into the general fund.

**Sec. 3.** RCW 29A.72.283 and 2008 c 1 s 8 are each amended to read as follows:

(1) Within five days of receipt of a measure for an advisory vote of the people from the secretary of state under RCW 29A.72.040 the attorney general shall formulate a short description ((not exceeding thirty-three words and)), not subject to appeal, of each tax increase and of each failure of the legislature to let the people vote on a constitutional

amendment under section 2 of this act and shall transmit a certified copy of such short description meeting the requirements of this section to the secretary of state.

(a) The description for each tax increase must be formulated and displayed on the ballot substantially as follows:

"The legislature imposed, without a vote of the people, (identification of tax and description of increase), costing (most up-to-date ten-year cost projection, expressed in dollars and rounded to the nearest million) in its first ten years, for government spending. This tax increase should be:

Repealed . . . []  
Maintained . . . []"

(b) The description for the failure of the legislature to let the people vote on a constitutional amendment under section 2 of this act must be formulated and displayed on the ballot substantially as follows:

"Do you support or oppose having the legislature refer to a vote of the people a constitutional amendment requiring two-thirds legislative approval for raising taxes as defined by voter-approved Initiatives 960, 1053, and 1185?

Support letting the people vote . . . []  
Oppose letting the people vote . . . []"

(2) Saturdays, Sundays, and legal holidays are not counted in calculating the time limits in this section. ((The words "This tax increase should be: Repealed . . . [] Maintained . . . []" are not counted in the thirty-three word limit for a short description under this section.))

**Sec. 4.** RCW 29A.32.070 and 2009 c 415 s 5 are each amended to read as follows:

The secretary of state shall determine the format and layout of the voters' pamphlet published under RCW 29A.32.010. The secretary of state shall print the pamphlet in clear, readable type on a size, quality, and weight of paper that in the judgment of the secretary of state best serves

the voters. The pamphlet must contain a table of contents. Measures and arguments must be printed in the order specified by RCW 29A.72.290.

The voters' pamphlet must provide the following information for each statewide issue on the ballot except measures for an advisory vote of the people whose requirements are provided in subsections (11) and (12) of this section:

- (1) The legal identification of the measure by serial designation or number;
- (2) The official ballot title of the measure;
- (3) A statement prepared by the attorney general explaining the law as it presently exists;
- (4) A statement prepared by the attorney general explaining the effect of the proposed measure if it becomes law;
- (5) The fiscal impact statement prepared under RCW 29A.72.025;
- (6) The total number of votes cast for and against the measure in the senate and house of representatives, if the measure has been passed by the legislature;
- (7) An argument advocating the voters' approval of the measure together with any statement in rebuttal of the opposing argument;
- (8) An argument advocating the voters' rejection of the measure together with any statement in rebuttal of the opposing argument;
- (9) Each argument or rebuttal statement must be followed by the names of the committee members who submitted them, and may be followed by a telephone number that citizens may call to obtain information on the ballot measure;
- (10) The full text of ~~((the))~~ each measure;
- (11) Two pages (front and back of one page and front and back of a second page) shall be provided in the general election voters' pamphlet for each measure for an advisory vote of the people under RCW 43.135.041 and shall consist of the serial number assigned by the secretary of state under RCW 29A.72.040, the short description formulated by the attorney general under RCW 29A.72.283, the tax increase's most up-to-date ten-year cost projection, including a year-by-year breakdown, by the office of financial management under RCW 43.135.031, and the names of the legislators, and their contact information, and how they voted on the increase upon final passage so they can provide information to, and answer questions from, the public. For the purposes of this subsection, "names of legislators, and their contact information" includes each legislator's position (senator or

representative), first name, last name, party affiliation (for example, Democrat or Republican), city or town they live in, office phone number, and office e-mail address((-));

(12) The front of one page must be provided in the general election voters' pamphlet for each measure for an advisory vote of the people under section 2 of this act and must consist of the serial number assigned by the secretary of state under RCW 29A.72.040, the short description formulated by the attorney general under RCW 29A.72.283, and the following:

"Over the past twenty years, the voters of Washington have, five times, overwhelmingly passed initiatives requiring two-thirds legislative approval to raise taxes. Despite this clear message from the people, not once has the legislature given the voters the opportunity to vote on a 2/3 for taxes constitutional amendment. Then, in 2013, the voters approved Initiative 1304 that specifically told the legislature that the people want the opportunity to vote on a 2/3 for taxes constitutional amendment mirroring voter-approved Initiatives 960, 1053, and 1185. Even so, the Legislature again blocked the people from voting on it this year.

It is long overdue for the legislature to give the voters the chance to decide, once and for all, on a 2/3 for taxes constitutional amendment mirroring voter-approved Initiatives 960, 1053, and 1185."

#### **ANY TAX INCREASE IMPOSED BY THE LEGISLATURE IS LIMITED TO ONE YEAR**

NEW SECTION. **Sec. 5.** A new section is added to chapter 43.135 RCW to read as follows:

(1) After the effective date of this act, any tax increase imposed by the legislature is limited to one year.

(a) For the purposes of this chapter, "tax increase" means any action or combination of actions by the state legislature that increases state tax revenue deposited in any fund, budget, or account, regardless of whether the revenues are deposited into the general fund.

(b) For the purposes of this section, "one year" is calculated from the date the legislation enacting the tax increase goes into effect. The department of revenue must discontinue collecting taxes from the tax increase after the one year expiration date.

#### **FEES MUST BE LEGISLATIVELY APPROVED AND DEDICATED TO THEIR STATUTORY PURPOSES**

**Sec. 6.** RCW 43.135.055 and 2013 c 1 s 4 (Initiative Measure No. 1185, approved November 6, 2012) are each amended to read as follows:

(1) REQUIRE LEGISLATIVE APPROVAL FOR FEE INCREASES: A fee may only be imposed or increased in any fiscal year if approved with a ~~((simple))~~ majority vote in both the house of representatives and the senate. Only the legislature may determine a fee increase's amount and must list it in a bill so it can be subject to the ten-year cost projection and other accountability procedures required by RCW 43.135.031.

(2) This section does not apply to an assessment made by an agricultural commodity commission or board created by state statute or created under a marketing agreement or order under chapter 15.65 or 15.66 RCW, or to the forest products commission, if the assessment is approved by referendum in accordance with the provisions of the statutes creating the commission or board or chapter 15.65 or 15.66 RCW for approving such assessments.

(3) DEDICATE FEES TO THEIR STATUTORY PURPOSES: Revenue from a fee must be dedicated to and used only for the statutory purpose for which the fee was collected under the statute authorizing the fee collection.

#### **STATUTORY REFERENCE UPDATES**

**Sec. 7.** RCW 43.135.031 and 2008 c 1 s 2 are each amended to read as follows:

(1) For any bill introduced in either the house of representatives or the senate that raises taxes as defined by ~~((RCW 43.135.035))~~ subsection 7 or increases fees, the office of financial management must expeditiously determine its cost to the taxpayers in its first ten years of imposition, must promptly and without delay report the results of its analysis by public press release via e-mail to each member of the house of representatives, each member of the senate, the news media, and the public, and must post and maintain these releases on its web site. Any ten-year cost projection must include a year-by-year breakdown. For any bill containing more than one revenue source, a ten-year cost projection for each revenue source will be included along with the bill's total ten-year cost projection. The press release shall include the names of the legislators, and their contact information, who are sponsors and cosponsors of the bill so they can provide information to, and answer questions from, the public.

(2) Any time any legislative committee schedules a public hearing on a bill that raises taxes as defined by (~~RCW 43.135.035~~) subsection 7 or increases fees, the office of financial management must promptly and without delay report the results of its most up-to-date analysis of the bill required by subsection (1) of this section and the date, time, and location of the hearing by public press release via e-mail to each member of the house of representatives, each member of the senate, the news media, and the public, and must post and maintain these releases on its web site. The press release required by this subsection must include all the information required by subsection (1) of this section and the names of the legislators, and their contact information, who are members of the legislative committee conducting the hearing so they can provide information to, and answer questions from, the public.

(3) Each time a bill that raises taxes as defined by (~~RCW 43.135.035~~) subsection 7 or increases fees is approved by any legislative committee or by at least a simple majority in either the house of representatives or the senate, the office of financial management must expeditiously reexamine and redetermine its ten-year cost projection due to amendment or other changes during the legislative process, must promptly and without delay report the results of its most up-to-date analysis by public press release via e-mail to each member of the house of representatives, each member of the senate, the news media, and the public, and must post and maintain these releases on its web site. Any ten-year cost projection must include a year-by-year breakdown. For any bill containing more than one revenue source, a ten-year cost projection for each revenue source will be included along with the bill's total ten-year cost projection. The press release shall include the names of the legislators, and their contact information, and how they voted on the bill so they can provide information to, and answer questions from, the public.

(4) For the purposes of this section, "names of legislators, and their contact information" includes each legislator's position (senator or representative), first name, last name, party affiliation (for example, Democrat or Republican), city or town they live in, office phone number, and office e-mail address.

(5) For the purposes of this section, "news media" means any member of the press or media organization, including newspapers, radio, and television, that signs up with the office of financial management to receive the public press releases by e-mail.

(6) For the purposes of this section, "the public" means any person, group, or organization that signs up with the office of financial management to receive the public press releases by e-mail.

(7) For the purposes of this chapter, "raises taxes" means any action or combination of actions by the legislature that increases state tax revenue deposited in any fund, budget, or account, regardless of whether the revenues are deposited into the general fund.

**Sec. 8.** RCW 43.135.041 and 2010 c 4 s 3 are each amended to read as follows:

(1)(a) After July 1, 2011, if legislative action raises taxes as defined by (~~RCW 43.135.035~~) subsection 5 is blocked from a public vote or is not referred to the people by a referendum petition found to be sufficient under RCW 29A.72.250, a measure for an advisory vote of the people is required and shall be placed on the next general election ballot under this chapter.

(b) If legislative action raising taxes enacted after July 1, 2011, involves more than one revenue source, each tax being increased shall be subject to a separate measure for an advisory vote of the people under the requirements of this chapter.

(2) No later than the first of August, the attorney general will send written notice to the secretary of state of any tax increase that is subject to an advisory vote of the people, under the provisions and exceptions provided by this chapter. Within five days of receiving such written notice from the attorney general, the secretary of state will assign a serial number for a measure for an advisory vote of the people and transmit one copy of the measure bearing its serial number to the attorney general as required by RCW 29A.72.040, for any tax increase identified by the attorney general as needing an advisory vote of the people for that year's general election ballot. Saturdays, Sundays, and legal holidays are not counted in calculating the time limits in this subsection.

(3) For the purposes of this section, "blocked from a public vote" includes adding an emergency clause to a bill increasing taxes, bonding or contractually obligating taxes, or otherwise preventing a referendum on a bill increasing taxes.

(4) If legislative action raising taxes is referred to the people by the legislature or is included in an initiative to the people found to be



sufficient under RCW 29A.72.250, then the tax increase is exempt from an advisory vote of the people under this chapter.

(5) For the purposes of this chapter, "raises taxes" means any action or combination of actions by the legislature that increases state tax revenue deposited in any fund, budget, or account, regardless of whether the revenues are deposited into the general fund.

#### **CONSTRUCTION CLAUSE**

NEW SECTION.   **Sec. 9.**   The provisions of this act are to be liberally construed to effectuate the intent, policies, and purposes of this act.

#### **SEVERABILITY CLAUSE**

NEW SECTION.   **Sec. 10.**   If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

#### **MISCELLANEOUS**

NEW SECTION.   **Sec. 11.**   This act is known and may be cited as the "Taxpayer Protection Act of 2013."

NEW SECTION.   **Sec. 12.**   Sections 2 and 5 of this act expire on the date that the public votes on a constitutional amendment requiring two-thirds legislative approval for raising taxes as defined by voter-approved Initiatives 960, 1053, and 1185. If the legislature refers a constitutional amendment to the ballot that does not require two-thirds legislative approval for raising taxes as defined by voter-approved Initiatives 960, 1053, and 1185, sections 2 and 5 of this act do not expire.

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